

Stanislaus County Economic Forecast

Stanislaus County is located in the San Joaquin Valley, and is bordered by San Joaquin, Santa Clara, Merced, and Tuolumne Counties. The San Joaquin Valley is the second fastest growing regional economy in California (behind the Inland Empire). Stanislaus County has a population of 504,500 people and just over 168,000 wage and salary jobs. The per capita income in Stanislaus County is \$25,060, and the average salary per worker is \$36,780.

Employment growth in the greater Northern California region was stagnant in 2004, due primarily to the weak Bay Area labor market. While employment in the Bay Area fell another 1 percent last year, employment in the San Joaquin Valley grew by 1.5 percent. In 2004, 1,770 total wage and salary jobs were created in Stanislaus County, representing a growth rate of 1.1 percent. Non-farm employment grew at a rate of 1.3 percent, adding over 1,900 jobs. The unemployment rate declined to 9.2 percent in 2004.

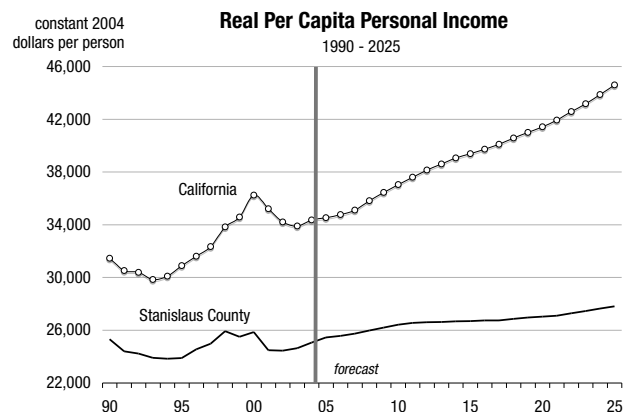
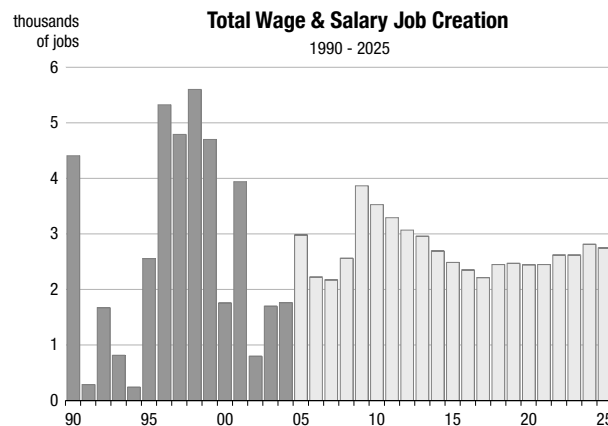
The principal sectors that are producing jobs in Stanislaus County are leisure services, professional services, financial activities, and construction. The construction sector created the most new jobs in 2004, due to the large number of new homes being permitted in the county. Employment in manufacturing remained stable in 2004.

The population growth rate exceeded 2.0 percent in 2004. The fastest growing cities in the county are Turlock and Ceres, which grew 3.8 and 3.3 percent respectively. The largest city in the county, Modesto, grew a scant 0.1 percent last year.

Employment and population growth will continue at healthy rates in Stanislaus County over the next several years because inland counties will dominate growth in the state due to the relative affordability and higher production of housing.

Forecast Highlights

- Non-farm job growth is forecast to rise 1.9 percent in 2005. Job growth is expected to remain at this approximate level over the next five years, averaging 1.8 percent per year.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 0.4 percent per year over the next 5 years.
- Between 2005 and 2010, employment growth will be led by job creation in professional services, education and healthcare services, retail trade, and government. These sectors account for 72 percent of all jobs created in the county over the next five years.
- The population will continue to grow at a rapid rate in the county. Annual growth in the 2005 to 2010 period averages



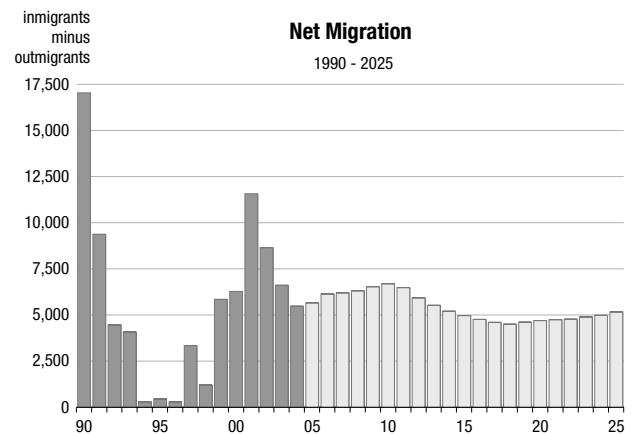
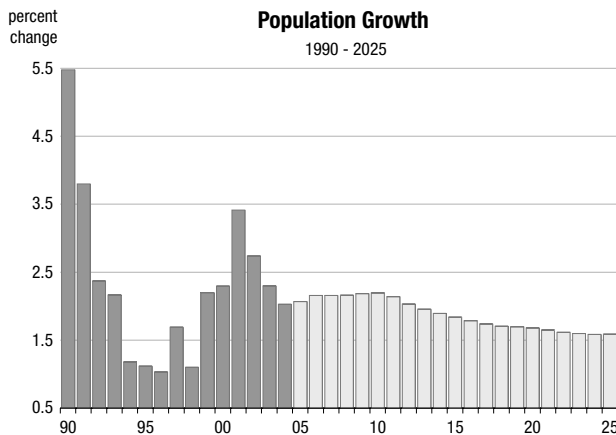
2.2 percent per year. Average growth in the state during this same period is 1.5 percent per year.

- Net migration will increase to nearly 5,700 people in 2005. Over the next five years, the population is expected to increase by an average of 6,400 net migrants per year.
- Real per capita incomes are forecast to fall 1.5 percent in 2005 because population growth will exceed total income growth. However, over the next five years real per capita incomes are forecast to rise 0.8 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise 5.7 percent in 2005. Over the next five years, real taxable sales growth will average 3.9 percent per year.
- Industrial production is forecast to increase 2.1 percent in 2005. Over the next five years the growth rate of industrial production will increase, with total production rising 3.8 percent per year.

Stanislaus County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	415,300	446	338.0	137.2	1,347	\$3.6	\$7.6	\$23,884	2.0	1,463	2.21	15.5
1996	419,600	288	340.1	138.5	1,428	\$3.8	\$8.0	\$24,552	2.3	1,611	2.29	14.1
1997	426,700	3,342	323.2	139.7	1,472	\$4.0	\$8.6	\$24,970	3.4	1,652	2.40	13.1
1998	431,400	1,209	343.3	140.9	2,090	\$4.2	\$9.3	\$25,925	3.2	1,565	2.46	12.3
1999	440,900	5,841	356.6	142.4	2,310	\$4.7	\$9.8	\$25,503	4.2	1,395	2.56	10.6
2000	451,025	6,273	372.3	145.1	3,413	\$5.2	\$10.6	\$25,861	4.5	1,321	2.71	10.5
2001	466,431	11,574	390.9	147.5	3,194	\$5.6	\$10.9	\$24,483	5.4	1,417	2.58	10.4
2002	479,203	8,648	413.6	150.9	3,109	\$5.8	\$11.4	\$24,444	1.6	1,409	2.62	11.5
2003	490,232	6,611	414.5	153.7	4,168	\$6.2	\$11.9	\$24,638	1.8	1,472	2.92	11.5
2004	500,172	5,476	429.6	156.8	4,431	\$6.6	\$12.5	\$25,060	1.2	1,479	3.02	9.2
2005	510,517	5,659	432.6	161.5	4,536	\$7.2	\$13.4	\$25,442	1.7	1,517	3.09	9.0
2006	521,536	6,138	440.4	166.1	4,545	\$7.7	\$14.1	\$25,565	2.7	1,532	3.14	9.1
2007	532,797	6,198	448.6	170.6	4,477	\$8.3	\$14.9	\$25,735	2.6	1,572	3.27	9.0
2008	544,327	6,314	457.3	175.1	4,446	\$8.8	\$15.7	\$25,983	2.6	1,563	3.42	8.7
2009	556,223	6,535	466.0	179.5	4,403	\$9.3	\$16.5	\$26,199	2.5	1,609	3.56	8.7
2010	568,436	6,696	475.1	184.0	4,230	\$9.9	\$17.4	\$26,411	2.7	1,637	3.71	8.7
2011	580,605	6,484	483.6	188.2	3,938	\$10.4	\$18.4	\$26,548	2.7	1,634	3.85	8.5
2012	592,408	5,934	491.5	192.1	3,748	\$11.0	\$19.3	\$26,604	2.8	1,653	3.99	8.2
2013	604,002	5,523	499.5	195.9	3,574	\$11.5	\$20.2	\$26,627	2.9	1,679	4.14	7.8
2014	615,448	5,205	507.6	199.5	3,486	\$12.1	\$21.2	\$26,671	2.9	1,689	4.31	7.6
2015	626,781	4,974	515.9	203.0	3,392	\$12.6	\$22.2	\$26,687	3.1	1,706	4.46	7.6
2016	637,985	4,757	524.5	206.4	3,324	\$13.2	\$23.2	\$26,734	3.0	1,723	4.60	7.6
2017	649,098	4,596	532.1	209.7	3,273	\$13.7	\$24.3	\$26,743	2.9	1,710	4.75	7.8
2018	660,183	4,500	539.1	213.0	3,295	\$14.3	\$25.4	\$26,857	2.7	1,728	4.93	7.8
2019	671,412	4,617	546.1	216.3	3,304	\$14.9	\$26.6	\$26,958	2.8	1,742	5.10	7.7
2020	682,708	4,704	552.3	219.6	3,296	\$15.5	\$27.8	\$27,021	2.7	1,750	5.28	7.5
2021	693,981	4,744	558.1	222.9	3,284	\$16.1	\$29.0	\$27,091	2.6	1,736	5.44	7.3
2022	705,200	4,775	563.1	226.2	3,301	\$16.7	\$30.4	\$27,282	2.6	1,759	5.55	7.3
2023	716,476	4,892	567.1	229.5	3,328	\$17.5	\$31.8	\$27,457	2.7	1,745	5.66	7.2
2024	727,832	4,984	570.9	232.8	3,376	\$18.2	\$33.4	\$27,641	2.7	1,774	5.78	7.1
2025	739,398	5,164	573.6	236.2	3,424	\$19.0	\$34.9	\$27,803	2.7	1,782	5.89	7.0



Stanislaus County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1995	137.7	13.7	5.9	22.8	3.87	21.5	4.98	10.7	1.83	14.1	11.0	22.6
1996	143.0	15.2	6.2	23.4	3.85	21.9	5.16	11.3	1.90	14.8	11.4	23.2
1997	147.8	16.1	6.7	23.7	3.83	22.9	5.02	13.1	1.93	15.0	11.3	23.4
1998	153.4	16.2	7.9	23.3	3.82	24.2	5.20	15.1	1.90	15.3	11.8	23.7
1999	158.1	16.4	9.2	22.9	4.01	25.4	5.27	16.3	1.97	15.9	12.0	23.7
2000	159.9	15.7	9.9	22.8	3.80	25.6	5.09	17.4	1.98	16.5	12.2	23.9
2001	163.8	14.1	11.0	23.0	4.28	26.5	5.43	16.8	2.23	17.1	13.0	24.6
2002	164.6	13.9	10.7	22.5	4.45	27.3	5.55	15.0	2.06	18.1	13.6	25.3
2003	166.3	14.0	11.4	23.1	4.56	27.4	6.03	13.8	2.19	18.9	13.7	24.9
2004	168.1	13.9	12.2	23.0	4.48	27.4	6.03	14.2	2.58	19.1	14.1	25.0
2005	171.0	13.9	12.8	23.1	4.52	28.0	6.10	14.6	2.69	19.6	14.2	25.3
2006	173.3	13.8	13.0	23.1	4.55	28.6	6.11	14.9	2.75	20.3	14.4	25.4
2007	175.4	13.8	13.0	23.1	4.59	29.2	6.10	15.1	2.80	21.0	14.7	25.6
2008	178.0	13.6	13.1	23.1	4.66	29.8	6.13	15.4	2.84	21.5	15.0	26.1
2009	181.9	13.6	13.1	23.1	4.72	30.4	6.15	16.0	2.87	22.5	15.4	26.8
2010	185.4	13.5	13.1	23.1	4.79	31.1	6.22	16.9	2.90	23.0	15.8	27.6
2011	188.7	13.5	13.1	23.1	4.86	31.6	6.27	17.8	2.92	23.5	16.2	28.3
2012	191.8	13.5	12.9	23.2	4.92	32.2	6.28	18.7	2.94	23.8	16.7	29.0
2013	194.7	13.4	12.8	23.2	4.98	32.7	6.32	19.5	2.96	24.2	17.1	29.6
2014	197.4	13.3	12.7	23.2	5.04	33.1	6.33	20.3	2.97	24.6	17.5	30.1
2015	199.9	13.3	12.6	23.3	5.10	33.6	6.37	20.9	2.99	25.0	18.0	30.7
2016	202.3	13.2	12.5	23.3	5.15	34.0	6.41	21.3	3.00	25.4	18.4	31.2
2017	204.5	13.1	12.4	23.3	5.20	34.4	6.44	21.7	3.01	25.8	18.8	31.7
2018	206.9	13.1	12.3	23.3	5.26	34.9	6.49	22.1	3.02	26.2	19.2	32.3
2019	209.4	13.1	12.4	23.3	5.32	35.3	6.53	22.4	3.04	26.4	19.6	33.1
2020	211.8	13.0	12.4	23.3	5.38	35.7	6.57	22.8	3.05	26.7	20.0	33.7
2021	214.3	13.0	12.5	23.4	5.43	36.1	6.59	23.1	3.05	27.0	20.5	34.4
2022	216.9	13.0	12.5	23.4	5.49	36.6	6.63	23.4	3.06	27.2	21.0	35.2
2023	219.5	12.9	12.6	23.4	5.55	37.0	6.68	23.8	3.07	27.5	21.5	35.9
2024	222.3	13.0	12.7	23.4	5.61	37.5	6.73	24.1	3.08	27.8	22.0	36.7
2025	225.1	12.9	12.8	23.4	5.66	37.9	6.78	24.4	3.09	28.1	22.5	37.4

